

MINUTES

SPECIAL MEETING OF
CITY OF ALAMEDA ECONOMIC DEVELOPMENT COMMISSION
THURSDAY, MARCH 12, 2009
8:30 AM

The meeting was held in the conference room of Hawthorn Suites, located at 1628 Webster Street.

The meeting was called to order by Vice Chair Bonta at 8:40 a.m., with the following members present:

Vice Chair Bonta, Commission Members: Breuer, Harrison, Lindsey, Milgram, and Ryan. Chair Zuppan arrived at 8:50 a.m.

Commission Members Absent: Dahlberg

Vacancy: (1)

Staff: Leslie Little, Dorene Soto, Eric Fonstein, and Rosemary Valeska

1) Introduction

1. Vice Chair Bonta recapped the discussions held at the February 19 Regular Meeting that resulted in the scheduling of this Special Meeting.

2) Define the Committee's Scope

- a) Business retention and proactive recruitment of new businesses. Also, the possibility of targeting specific industries as part of that (Milgram).
- b) Two different committees would be needed (Harrison):
 1. One committee to help businesses weather this economic storm
 2. One committee to be more long term – targeting new businesses
- c) We need to go further and find out from those businesses that are here what the City can do better for them. Suggested a questionnaire for businesses to put down their gripes and complaints. Finding out the business feelings in Alameda is part of business retention. This could be used to make recommendations to the City Council (Breuer).
 1. A customer satisfaction survey should have plusses and minuses (Milgram).
 2. Agreed (Breuer).
- d) We need a robust outreach component. Question to staff: What was the response to the Development Services Director's business outreach letter last fall? (Bonta)

1. We received about 12 responses, requesting assistance with items such as marketing and outreach, façade improvements, and reviewing business plans (Fonstein).
- e) We should have liaisons to the business groups, attending events, mixers, etc. so they feel that they consistently have our ear (Harrison).
- f) We want outreach to the business community to be part of everything we do. We need to provide low-cost or no-cost solutions. We need to define a scope and role to achieve maximum impact (Bonta)
- g) At Council Member Matarrese's initial meeting with the business community, the need for business attraction was expressed. A follow-up meeting is being planned. We should set aside higher cost suggestions. A copy of a WSJ article was then circulated. The article addressed what some cities are doing in response to the economic downturn. A PDF copy of the article will be e-mailed to the EDC (Zuppan).
 1. Does anything jump out as low- or no-cost? (Bonta)
 2. Gift cards with minimum purchase, or covering the registration fee for vehicles purchased in town (Zuppan).
- h) What about the suggestions that came out of Council Member Matarrese's meeting with the business community? Companies like SRM have a dedicated planner, but small developers don't get a dedicated planner. There are inconsistencies in interpretations regarding cosmetic changes. A small business advocate is needed in Planning & Building. There should be a person in Planning & Building dedicated to serving retail and smaller commercial businesses. Should we be outsourcing plan checking to outside communities? (Bonta)
- i) Businesses may want more complementary businesses nearby to stimulate foot traffic. That could be found out in a survey. There are components of business retention that are low- or no-cost. They could be prioritized by cost. When we come out of the recession, we could move down the list. What about the stimulus package? More workshops are springing up, e.g., IDEC and State and local equivalents. This is away to see what best practices are working for others and we can build on what is already out there. Has extensive survey experience, not necessarily marketing, but could assist in the development of a survey (Milgram).
- j) The SSHRB Community Survey used Survey Monkey, an on line tool. We could direct the business community go to that site (Bonta).
 1. A Survey Monkey account costs \$200 per year. Likes Survey Monkey (Milgram).
 2. Businesses want to remain anonymous. They are afraid of a backlash. You will not get any information unless they have anonymity (Breuer).
 3. We would not track down their IP addresses (Milgram).

4. The goal is to get honest input (Bonta).
 5. We would also need to provide a paper version of the survey. No “techie” language. Would need to accommodate languages other than English. The surveys could be returned in a sealed envelope (Milgram).
- k) Bonta to staff – any thoughts?
1. The City does have agreements with other cities in the area to not steal businesses from each other. We have been working with Planning & Building to have a special permit technician to assist development at the office parks. There are distinctions in the business community – retail and office parks need different types of outreach and surveys (Fonstein).
 2. We would need a different survey? (Bonta)
 3. We would probably need different outreach as they have different concerns (Fonstein).
 4. The non-compete clause is very important; however, if they come to us, that is different (Soto).
 5. What about businesses looking to expand? (Lindsey)
 6. We are not talking about retail. BurgerMeister would be an example of a business with other locations in the area that opened a location here (Soto).
 7. What about the San Jose? (Harrison)
 8. The non-compete clause would only apply to Alameda and Contra Costa Counties (Fonstein).
- l) The current commercial businesses are feeling like stepchildren. They feel the priority goes to retail. The “teen-aged businesses” generate the most growth for a city (Zuppan).
- m) Since we can’t directly recruit nearby businesses, online marketing outreach can be an effective way of contacting targeted individuals. Have a template for an economic development website and a newsletter would be relatively inexpensive (Milgram).
- n) We should look at the current business ordinances. There are different rules and laws in the City affecting businesses due to zoning and City policy constraints (Harrison).
- o) How broad or narrow will our scope be? (Zuppan)
1. We need to get input before we discuss subcommittees (Bonta).
 2. Thought we were looking at business recruitment and business attraction (Milgram).

3. That's right but we should do a survey first to see what gets the emphasis – business attraction or business retention. We need their input (Bonta).
4. The business community should have input on both business retention and business attraction. These should be on parallel tracks (Milgram).
5. What scope for business retention are we authorizing? We need to set parameters for where we are allowed to go. We have no negotiation rights, so we have to be careful (Breuer).
6. We can ask what they see as an attractive future for a community (Zuppan).
7. We are talking about making recommendations on strategic business attraction (Milgram).
8. Can't our website be more specific about what we have it for? (Lindsey)
9. There are tons of overlaps on these two issues. We need to look at the current economic crisis as well as the long term. What is the role of the EDC in business retention and business attraction? We should look at these as two different things (Harrison).
10. We could do both. Business retention – short term intervention that is needed (Milgram).
11. One subcommittee out there immediately to businesses and working proactively now on business retention. Then let's do a survey and analysis on what we should do long term. That way, we can have time lines and goals for each committee (Harrison).
12. The personal touch is very important. We should go on business calls with Dorene and Eric and ask businesses their opinions as to what we can do. Then we can present some options to City Council. The survey would be a nice supplement but the personal touch is a key piece in this (Zuppan).
13. Have already done some footwork on this. The businesses do not want their businesses mentioned, especially when it comes to getting permits (Breuer).
14. They will do it anonymously on a survey (Zuppan).
15. Will give the Chair information he has already obtained from businesses he knows (Breuer).
16. That is exactly what we need (Harrison).
17. We're mixing up the issues (Milgram)
18. Wants to invite business leaders to a committee meeting (Zuppan)

19. Recommends having a small focus group and come up with a composite in combination with a survey. We could have it in two months (Milgram).
20. Quantative and qualitative gets better responses, more nuanced (Zuppan).
21. The survey and hard data is the way to go for the long term. Having EDC Members talking to people is low-cost and good for the short term - actively inviting them to the table (Harrison).
22. What does staff think? (Zuppan)
 - (1) Regarding outreach, staff is doing that with businesses. We need to organize so as not to duplicate. Dorene and Eric could join the members when contacting businesses (Fonstein).
 - (2) When meeting with the public, staff could speak about City programs (Zuppan).
 - (3) You need to know what space is available before you go recruiting. We get calls but we don't always have space available. You need to go to these businesses – they won't come to you, as they are too busy. You have to work around their schedule (Soto).
 - (4) We have gotten positive responses from the business organizations and business associations staff (Zuppan).
 - (5) That might be OK with small retail and the business associations, but tech companies will be much harder to get to attend a meeting (Little).
 - (6) We will have to check with legal regarding the use of Survey Monkey (Soto).
 - (7) Plan checking has been outsourced during times when Building staff levels are low (Little).
23. Regarding the “big boys,” we are going to give our time to them. However, there are businesses that are teetering on the line right now. There are problems at the Harbor Bay retail center due to escalating rents. The owner raises rents 50 percent every time a lease comes up (Breuer).
24. We are focusing on scope right now. Could we push for one or two committees to have these conversations? (Harrison).
25. Traditional retail business will come out, but we have to serve both. We need to find a way to do that, e.g., an early morning employer breakfast to get to the commercial businesses. We should look at both retail and commercial business retention and business attraction (Milgram).

26. What about commercial brokers? (Little).
 27. Wants to talk about the scope of the committee today. What are they tasked to do? What is the scope and what can be delivered? (Zuppan)
 28. Time is of the essence. We need to stay nimble, stay small, and stay limited to fill the role that is needed right now. We should not make this too broad (Bonta).
 29. We need two different committees – one short term and one long term (Harrison).
 30. Regarding business retention, it should be for both commercial and retail – business input by survey or personal contact, then action items. Regarding business attraction, we should look for the best practices to recruit in areas outside Alameda and Contra Costa Counties (Milgram).
 31. What is the end product – a document to the City Council? (Bonta)
 32. A prioritized list broken down into categories, providing recommendations to the City Council (Zuppan).
 33. We need to flesh out the implementation issues (Little).
 34. We don't want to get bogged down in writing a report. The subcommittee can report back to the full EDC. This should be an ongoing thing in order to speed up the process (Breuer).
 35. The subcommittee of four members would report to the EDC and the EDC would report to the City Council (Zuppan).
 36. Agreed (Breuer).
 37. Suggestion for a time line for the product? (Zuppan)
 38. June? (Milgram)
 39. When is the final report of the Fiscal Sustainability Committee due? (Breuer)
 40. April or May. June may be a good month (Zuppan)
 41. Don't worry about hearings at the same time (Little).
 42. Committee to report back in June? (Milgram)
 43. Agreed (Breuer).
- 3) Discuss the Communication Plan
- a) Communication plan (Zuppan)
 1. One on one
 2. Consistent message that does not undermine what others are doing

3. Contact with top employers or sales tax generators?
 - b) Press release? (Zuppan)
 1. We can help provide contacts (Little)
 2. We need to have an event in order to have press. Are we limiting the scope to business retention? We might hear from businesses that we need to work on attracting more businesses (Milgram).
 - c) Motion for separate committee for business attraction (Milgram).
 - d) Seconded (Lindsey).
 - e) We should start with SRM, Legacy Partners, and the major brokers. We rely on a regional organization that we pay a lot of money to. Cold calling is ineffective (Little).
 - f) Could this committee make an impact on business attraction? (Bonta)
 - g) Personal relationships have a lot of impact. We run into what other cities do. We don't have a lot of incentives that other cities have. That's why these brokers are important. We rely on them to call us when someone is interested. Energy has been a big factor with some companies. We can also offer safety. You can't just take an interest list and call companies (Little).
 - h) We wouldn't go to anyone without talking to staff first (Milgram).
- 4) Formally Define the Timeline and Goals
 - a) Motion (restated by Milgram), seconded (Lindsey), and unanimous that a Business Attraction subcommittee be formed for the purpose of formulating a set of recommendations for recruiting new businesses to Alameda, with a report to be presented in June.
 - b) Motion (Harrison), seconded (Ryan), and unanimous that a business outreach subcommittee be formed for the purpose of retaining and helping to support and maintain our current commercial and retail businesses in Alameda. This subcommittee will provide monthly status updates to the full EDC, with a final report to be presented in June.
- 5) Select Committee Members
 - a) The Business Attraction Subcommittee membership will be as follows: Milgram (subcommittee chair), Breuer, Lindsey, and Ryan.

- b) The Business Outreach/Retention Subcommittee membership will be as follows: Harrison (subcommittee chair), Bonta, Breuer, and Zuppan. Chair Zuppan stated that the Business Retention subcommittee should plan to meet as soon as possible.
- 6) Finalize Any Other Details Necessary for Follow-up at the Regular EDC Meeting on March 19
 - a) There was no additional discussion.
- 1) Adjournment

The meeting was unanimously adjourned at 10:14 a.m.

Respectfully submitted,

Rosemary Valeska
EDC Recording Secretary

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